

How the EU works

Summary

Three main institutions are responsible for the day-to-day running of the European Union: the European Commission, the Council of the European Union and the European Parliament. Two other bodies - the European Court of Justice and the European Court of Auditors - play key roles in, respectively, ensuring that EU laws are upheld and that the EU budget is spent properly. There are also two consultative bodies representing civil society and the regions. The European Central Bank is responsible for managing the single currency.

European Commission

This is the EU's executive or 'civil service'. It has four main roles:

- To propose new EU laws;
- To manage and implement EU policies and the budget;
- To enforce European law (with the European Court of Justice);
- To represent the EU on the international stage, negotiating international agreements on behalf of the EU as a whole.

Every five years, a new President and Members of the Commission (one from each of the EU's 25 Member States) are nominated by EU governments and approved by the European Parliament. Each Commissioner is responsible for a specific area of EU policy, and has a small private office and a department staffed by permanent EU officials based in Brussels.

The Commission is politically answerable to the European Parliament, which has the power to dismiss the President and Members by adopting a motion of censure.

Council of the European Union

This is the main decision-making body of the EU. It is made up of one government minister from each EU Member State.

Which minister attends depends on what subjects are under discussion (so, for example, the environment minister from each EU country sits on the 'Environment Council' and agriculture ministers represent their governments at 'Agriculture Councils').

The Prime Ministers and/or Presidents of the EU's 25 Member States meet at 'European Councils' up to four times a year, with the European Commission President also present. These summit meetings set overall EU policy and resolve issues which cannot be settled at a lower level.

The Council, in its various formations, has six main responsibilities:

- To pass EU laws (on most policy issues, it does this jointly with the European Parliament, but in a few highly-sensitive areas, it decides on its own);
- To coordinate the broad economic policies of the EU's Member States;
- To conclude international agreements between the EU and other countries or international organisations;
- To approve the EU's budget, jointly with the European Parliament;
- To develop the EU's Common Foreign and Security Policy;

- To coordinate cooperation between national courts and police forces in criminal matters.

Most of these responsibilities relate to areas where EU countries have agreed to share their sovereignty and delegate decision-making powers to the EU. The last two are areas in which Member States have only delegated very limited powers to the Union, but have agreed to work together on a range of issues (a process known as ‘intergovernmental cooperation’).

In many policy areas, the Council takes decisions by ‘qualified majority vote’, a system under which each country has a number of votes roughly proportionate to the size of its population. But the most sensitive issues, including changes to the EU Treaties, are decided by a unanimous vote, giving each country the right to veto proposals single-handedly.

The Council is chaired by each of the EU’s 25 Member States in turn, for six months at a time, under a system known as the rotating Presidency.

European Parliament

The European Parliament represents the EU’s citizens and its members are directly elected by them every five years. Every EU citizen who is registered to vote is entitled to do so.

The present Parliament, which was elected in June 2004, has 732 members from all 25 EU countries. They do not sit in national blocks, but in seven Europe-wide political groups. The centre-right European People’s Party is currently the biggest group, with the centre-left Party of European Socialists the second largest.

Between them, members of the European Parliament (MEPs) represent all the different views on the EU, from those strongly in favour of closer European integration to those who want their countries to withdraw from the EU.

The Parliament has three main roles:

- To pass EU laws, jointly with the Council, in many policy areas;
- To exercise democratic supervision over the other EU institutions;
- To approve or reject the budget proposed by the Council.

The Parliament is the only EU institution which is fully open to public scrutiny: it meets in public and its debates, opinions and resolutions are published.

Who decides?

Although it is the European Commission which proposes new laws, it is the Council of the European Union (made up of ministers who are accountable to their national parliaments and to voters) and the European Parliament (whose members are directly accountable to voters) which decide whether to adopt them or not.

In areas where these two institutions have joint decision-making powers, they do this through a process of negotiation designed to produce agreement on the final shape of the legislation. This can be a lengthy process lasting many months or years.

European Court of Justice

This Luxembourg-based court is made up of judges from each of the EU’s 25 Member States and is responsible for ensuring compliance with EU law. It is the Union’s highest judicial authority. Its purpose is to ensure that Member States abide

by the laws they agreed to in Brussels and that EU law is interpreted and applied in the same way in each Member State.

European Court of Auditors

This Luxembourg-based court is made up of representatives from each of the EU's 25 Member States and monitors the way the EU budget is spent. It is responsible for ensuring that EU funds, which come from its taxpayers, are properly collected and that they are spent legally, economically and for the intended purpose.

There are also two consultative bodies – the **European Economic and Social Committee** (made up of representatives of organised 'civil society') and the **Committee of the Regions** (made up of representatives of the EU's regions). Both organisations have the right to be consulted on proposals for new EU laws, but have no formal powers. There is also a **European Ombudsman** who deals with complaints from EU citizens about alleged wrong-doing by the EU institutions.

European Central Bank (ECB)

This is based in Frankfurt and is made up of national bank governors from the 12 (soon to be 13) countries which have adopted the euro as their currency.

The ECB is independent of Member States and the EU's institutions. It is responsible for monetary policy – i.e. setting interest rates – within the euro zone and for managing the euro. Its Governing Council meets twice a month to assess monetary and economic developments, and discuss its other responsibilities.